

Message Text

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PAGE 01 BRASIL 00211 101917Z
ACTION OES-06

INFO OCT-01 ARA-06 ISO-00 ACDA-07 AGRE-00 AID-05 CEA-01
CEQ-01 CG-00 CIAE-00 CIEP-01 COME-00 DLOS-06 DODE-00
DOTE-00 EB-07 EPA-01 ERDA-05 FEAE-00 FMC-01 TRSE-00
H-01 INR-07 INT-05 IO-13 JUSE-00 L-03 NSAE-00 NSC-05
NSF-01 OMB-01 PA-01 PM-04 PRS-01 SP-02 SS-15 USIA-06
SAL-01 /114 W

-----101920Z 126542 /44

P R 101840Z JAN 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC PRIORITY 9515
INFO AMCONSUL BELEM
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

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E.O. 11652: N/A
TAGS: EFIS, PLOS, PFOR, BR
SUBJ: US-BRAZIL SHRIMP AGREEMENT

REFS: (A) 76 STATE 303224
(B) STATE 001793
(C) 76 BRASILIA 10442

1. SUMMARY. IN SEPARATE CALLS ON CHIEF AND WORKING-LEVEL
OFFICIAL IN FONMIN'S ECONOMIC DEPARTMENT ON JANUARY 6, EMBOFFS
PRESSED NEED TO RENEGOTIATE SHRIMP AGREEMENT. ALTHOUGH
CHIEF ECON DEPT. ONLY SAID HE WOULD TAKE UP MATTER WITH FONMIN
SECRETARY-GENERAL, OFFICER IN BASIC PRODUCTS DIVISION (BPD)
WAS APPARENTLY AUTHORIZED TO TENTATIVELY AGREE TO HOLD NEGO-
TIATIONS IN BRASILIA FEBRUARY 7-11. ALTHOUGH BPD OFFICER
INDICATED SOME GOB FLEXIBILITY ON THE ISSUES, HE ALSO MADE IT
CLEAR GOB WILL INSIST ON 12/31/77 EXPIRATION DATE AND WILL
CONTINUE TO EXPECT TO RECEIVE "MORE OR LESS" US DOLS 361,000.

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PAGE 02 BRASIL 00211 101917Z

END SUMMARY.

2. IN MEETING ON ANOTHER SUBJECT, ECON/COMML COUNSELOR
RAISED SHRIMP AGREEMENT WITH AMBASSADOR PAULO CABRAL DE
MELLO, CHIEF/ECON DEPT. REVIEWING US POLICY AND JURIDICAL
RATIONALE AS OUTLINED REFS (A) AND (B), ECON/COMML COUNSELOR
SAID USG NEEDED TO RENEGOTIATE SHRIMP AGREEMENT, EVEN IF NEW

AGREEMENT HAD TO EXPIRE DECEMBER 31. ECON/COMML COUNSELOR SAID KEY ISSUE FOR US WAS AGGREGATE FEE WHICH WAS PARTLY DERIVED FROM PUBLIC FUNDS AND WHICH USG COULD NO LONGER JUSTIFY. FURTHERMORE, TOTAL PAYMENT UNDER PRESENT AGREEMENT WAS MUCH TOO HIGH SINCE, WITHOUT A CONTRIBUTION OF PUBLIC FUNDS, IT IMPLIED MORE THAN A DOUBLING OF LICENSING FEES.

3. CABRAL DE MELLO NOTED SUBSTANCE OF PRESENTATION WITHOUT COMMENT EXCEPT TO SAY THAT "NEW LAWS REQUIRE TIME FOR SETTling IN." IN REPLY, ECON/COMML COUNSELOR NOTED THAT US EXECUTIVE BRANCH COULD NOT JUSTIFY EXTENDING AGREEMENT IN PRESENT FORM SINCE IT NO LONGER CONFORMED TO JURIDICAL SITUATION AND HAD NO SPECIFIC RENEWAL PROVISION WITHOUT CONGRESSIONAL APPROVAL. CABRAL DE MELLO SAID HE WOULD TAKE MATTER UP WITH SECRETARY GENERAL GUERREIRO.

4. ECONOFFS SIMULTANEOUSLY CALLED ON SHRIMP AGREEMENT ACTION OFFICER IN BPD, DIDIER. (BPD CHIEF PINHEIRO ON LEAVE THROUGH JANUARY 15.) DRAWING ON REF (B), ECONOFF RESTATED USG PREFERENCE TO RENEGOTIATE AGREEMENT, EMPHASIZING NEED FOR FORMAL DISCUSSIONS TO DECIDE PAYMENT ISSUE.

5. IN APPARENT REVERSAL OF FONMIN'S POSITION AS STATED EARLIER BY PINHEIRO (PARA. 2-3, REF C), DIDIER TENTATIVELY AGREED ON BEHALF GOB TO HOLD NEGOTIATIONS FOR NEW AGREEMENT WITH USG AND INDUSTRY REPS IN BRASILIA BEGINNING MONDAY AFTERNOON, FEB. 7, AND ENDING BY FRIDAY, FEB. 11. DIDIER STATED THAT HE WOULD HAVE TO CONFIRM THIS DECISION WITH HIGHER AUTHORITIES BUT FORESAW NO PROBLEM. HWEN THIS CONFIR- LIMITED OFFICIAL USE

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PAGE 03 BRASIL 00211 101917Z

MATION IS RECEIVED, EMBASSY WILL TRANSMIT DIPLOMATIC NOTE (PER DIDIER'S REQUEST) TO FONMIN OFFICIAL PROPOSING THOSE DATES FOR NEGOTIATIONS.

6. IN FURTHER DISCUSSION WITH ECONOFFS, DIDIER OFFERED PERSONAL OPINION THAT GOB WOULD NOT BE TOTALLY INFLEXIBLE ON AMOUNT AND METHOD OF PAYMENT. HE RESPONDED FAVORABLY TO IDEA OF LICENSE FEES AS EMBODIED IN US-MEXICO AGREEMENT. HOWEVER, HE ADDED THAT THE GOB WOULD PROBABLY WANT TO CONTINUE TO RECEIVE SOMETHING ON THE ORDER OF THE PRESENT US DOLS 361,000. HE ALSO RECONFIRMED GOB POSITION THAT NEW AGREEMENT MUST EXPIRE DECEMBER 31, 1977.

7. COMMENT: THE 12/31/77 EXPIRATION DATE AND CONTINUED RECEIPT OF APPROXIMATELY US DOLS 361,000 THUS APPEAR TO BE THE TWO GOB CONSTANTS AMONG THE NEGOTIABLE ITEMS. CRIMMINS

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 10-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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